



# Department of Justice

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## **CHIEF OF STAFF TO FORMER GOVERNOR OF ALASKA PLEADS GUILTY** **TO CONSPIRACY TO COMMIT HONEST SERVICES FRAUD**

WASHINGTON – James Clark, chief of staff to the former governor of Alaska, has pleaded guilty to soliciting and accepting nearly \$70,000 in illegal polling and consulting expenses for the governor's re-election campaign in 2006, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today. The illegal payments were provided by VECO Corporation, formerly an oil field services company headquartered in Alaska.

In a hearing today before Chief U.S. District Judge John W. Sedwick at the federal court in Anchorage, Clark pleaded guilty to a one-count information charging him with conspiracy to commit honest services mail and wire fraud. In filed court documents, Clark admitted to conspiring with Bill J. Allen, the former Chief Executive Officer of VECO; Richard L. Smith, the former Vice President of Community and Government Affairs of VECO; and others to obtain payment for approximately \$68,550 in expenses relating to the then-governor of Alaska's re-election campaign, and to do so in a manner that concealed the payments and deceived the public. Clark used his official position and the Office of the Governor to continue advocating for important oil and gas legislation that Clark knew was supported by VECO and its corporate executives.

"As chief of staff to the former governor of Alaska, James Clark conspired to deprive Alaska's citizens of honest services and today has been held accountable for his crime. The faith and trust citizens place in the democratic process of governing and enacting laws is shaken every time an individual corrupts the legal and constitutional workings of that process," said Assistant Attorney General Alice S. Fisher of the Criminal Division. "I thank the federal prosecutors and FBI and IRS agents for their diligent work in this investigation. The Department of Justice will continue working hard in its pursuit of public corruption at all levels of government."

Clark faces a maximum penalty of five years imprisonment and a \$250,000 fine. Sentencing has been set for Sept. 4, 2008.

To date, this is the seventh criminal conviction arising out of the ongoing investigation into public corruption in the State of Alaska. Thomas T. Anderson, a former elected member of the

Alaska House of Representatives, was convicted in July 2007 and sentenced to five years in prison for extortion, conspiracy, bribery and money laundering for soliciting and receiving money from an FBI confidential source in exchange for agreeing to perform official acts to further a business interest represented by the source. Peter Kott, a former Speaker of the Alaska House of Representatives, was convicted in September 2007 and sentenced to six years in prison for extortion, bribery and conspiracy. Victor H. Kohring, a former elected member of the Alaska House of Representatives, was convicted at trial in November 2007 for attempted extortion, bribery and conspiracy, and is awaiting sentencing. Additionally, three private individuals – Allen, Smith and former Anchorage lobbyist William Bobrick – have pleaded guilty to felony public corruption charges.

This case is being prosecuted by Trial Attorneys Nicholas A. Marsh and Edward P. Sullivan of the Public Integrity Section, headed by Chief William M. Welch II, and Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke from the District of Alaska. The ongoing investigation is being led by the FBI and the Internal Revenue Service Criminal Investigative Division.

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